From: Preston A. Elder
To: Microsoft ATR
Date: 12/14/01 8:38pm

Subject: Microsoft Anti-Trust case.

[Text body exceeds maximum size of message body (8192 bytes). It has been converted to attachment.]

As a member of the wider internet community, I would like to voice my opinion of the proposed settlement by the US Dept. of Justice in regards to the Microsoft Anti-Trust case.

Microsoft has been proven (and upheld) to be a monopoly, a corporation that stifles competition - however it seems the proposed settlement is little more than a slap on the wrists saying 'bad boy', but does not really address stopping Microsoft from BEING a monopoly.

Microsoft was proven to attain its monopoly status by such things as bundling software items with their operating systems (even if the user did not want to install the extra software on their machine), and worse, making it difficult for any user of these operating systems to chose to use a compeatitors product, and KEEP using it.

For example, if someone installs one of Microsoft's operating systems, Windows Media Player is installed, weather the user wanted it or not. The user must then take extra steps to NOT use Windows Media Player. To add insult to injury, after the user gets their system fully setup to use an alternate product, and then must do something as innocent as upgrade Microsoft Internet Explorer, Windows Media Player is installed aswell and set as the default player again. Even though the user did not want a newer version of Windows Media Playe, it was upgraded for them, and its dominance re-established. This is obviously monopolistic behavior, and the settlement proposed by the Dept. of Justice does not really restrict such behavior.

In addition, Microsoft has taken active roles to try and lock out anyone who chooses to use another operating system, by deliberately making Microsoft operating systems use slightly modified internet protocol standards, that are just different enough to make them not work with any non-Microsoft product, however, Microsoft still calls them a 'standard' implementation of the protocol in question. A recent example of this was Microsoft's using the Kerberos standard for their Windows 2000 network authentication schemes. Only after much pressure from the technically aware did Microsoft releace the source code to their proprietary extensions (to a public standard), and even then forced people who viewed these extensions to agree to a click-through license that essentially ment no-one could implement them for compatability.

Microsoft should be subjected to two destinct restrictions. Given their market possition, any protocols Microsoft invents instantly become a kind of de-facto standard, however most are not published, and must be reverse engineered to allow other operating systems and applications to communicate effectively with Microsoft products. This essentially gives Microsoft a 'stifling' possition in the market, especially as more laws such as the DMCA start to restrict the right to engage in activities such as reverse engineering. Therefore, Microsoft should be compelled to release full documentation on any new protocols and standards they employ. I also believe that some kind of third-party review committee should continually be involved in the process of creating these new standards, to ensure that Microsoft does not try and create a new protocol or standard that, by its very nature, precludes any competing product (such as another operating system like the Linux or Solaris operating systems) from implementing these protocols or standards, and effectively ensures that people must use Microsoft only systems to be able to use whatever has implemented this standard.

Even if Microsoft is not broken in to two or more companies (it really is so large, and stifling, it should be broken into three destinct companies) - a better solution to their monopolistic behavior would be to force them to be more honest with the public, and open up their development process a little. Microsoft is such a widely used product, and a critical part of most desktop computers, that the amount of secrecy in-built into Microsoft's systems is more harmful than good.

This in itself has been proven by the recent spate of virii that has attacked Microsoft systems, servers and desktops alike. Most of the time, by the time a hole in a Microsoft product is exploited, the problem is already known by Microsoft, but they cover it up, and hope nobody notices. If Microsoft had more open standards, such as opening up Microsoft's programmatical interfaces (API's, etc), and their file formats, these kinds of problems would be known alot earlier, and more importantly, fixes, patches, and even prevention by things such as virus scanners would be achieved much easier.

This would also have the added side-effect of helping end Microsoft's monopoly. It is well known that many applications Microsoft releases, such as Microsoft Office, use 'back-door' hooks into the various Microsoft operating systems. This means that products like Microsoft Office have more intergration, and can be alot faster than any compeating product could ever achieve because the developers of Microsoft Office have much more knowledge of and access to the program interfaces that the various Microsoft Windows operating systems use, which means they can stifle the competition by ensuring their product is always better because of the various tricks it can employ.

Microsoft recently sent a memo out to all the major PC vendors stating that they should NOT allow any consumers who purchase a PC from them to purchase it without a Windows operating system. The reasoning behind this was 'Since they are going to buy it anyway, this will help cease the increasing trend of software piracy'. This is clearly monopolistic behavior. There is an increasing number of users, businesses, and even governments that are NOT using Windows on their desktop and server machines, instead they are using alternatives such as Linux, Solaris, and other unix variants. However increasingly, every time a new PC is sold, the user is forced to purchase the Windows operating system with it, even if they have no intention of using it.

This behavior is increasing Microsoft's monopoly in two ways. Firstly, they get more and more 'sold' copies of their Windows operating system - even from users who did not want it in the first place, and secondly, most of these systems come with Windows pre-installed, which means that users arent getting a choice of which operating system they wish to use, and Microsoft once again (as with their software bundling) is forcing the user to go through extra effort to NOT use a Microsoft product. In addition, most PC vendors have to pay Microsoft weather they put the Windows operating system on a new PC they sell or not, which effectively means there is 'no cost difference' between a PC with or without the Windows operating system -- which means even if a user DOES manage to purchase a PC without the Windows operating system, they still end up paying for it anyway, as its already been added into the cost of their new PC by the vendor.

Microsoft products have been proven by multipal studies to be the biggest security risks on the internet. Microsoft's attitude and assumptions mean that more and more security flaws are being released in each successive product, and having farther and farther reaching concequences. With Microsoft introducing their new .NET initiative, this prospect is even scarier, as Microsoft will be forcing EVERYONE who wants to use their .NET systems to give Microsoft personally identifying information, which, as part of their licensing agreement, they may share with anyone they wish to. Microsoft's closed archetecture, and monopoly in the marketplace means that everyone will be forced to start giving up any information Microsoft wants — a scary prospect when you think about all the recent virii, and vulnerabilities found in Microsoft products (especially when compared to their compeatitors).

Finally, the Dept. of Justice settlement, apart from being too minimalistic in its conditions placed on future Microsoft business practices, also only gives Microsoft a slap on the wrist financially. Microsoft will be spending \$1.1 billion dollars getting new computers to

needy schools, a worthy and noble thing to do. However looking deeper, they will only be spending \$200M on actual computer equipment, and the rest on software, their own software. They will be working out this \$900M cost based on retail, or slightly discounted costs of their products. However this costs relatively little to Microsoft itself. The software is already created, and actually burning it to CD, and issuing site licenses for it is an extremely cheap process. Microsoft may say its worth \$900M, and it would indeed be that much to buy if a business wished to purchase the same amount, however it costs them much less. Thus it ends up being only a small financial hit to the company, especially when you think about their profits from just one year.

There have been several offers from other companies, such as RedHat Inc. to make this a more equitable deal -- by forcing Microsoft to pay the entire amount in hardware costs -- something they cant just make cheaply and assign any price to it. RedHat even offered to supply all the software free, and give indefinate support and upgrade, as opposed to Microsoft's limited support and upgrade offer. I believe these kinds of offers by third party companies should seriously be considered as part of any Dept. of Justice settlement.

In summary, Microsoft's monoply has far-reaching effects, both now and especially in the near future. Microsoft stifles competition by changing or inventing standards that block compeating products from communicating to Microsoft products. Microsoft uses special code within its products to ensure that any product they make will always be faster or better intergrated than any compeatitor could be - infact, they've been caught in the past writing specific code to hinder compeating products! Microsoft ensures that a user will have to go through more effort to try and use (or keep using) a compeating product, than they would to use a Microsoft product. All of this behavior requires a stiffer repremand than the current Dept. of Justice settlement gives. Microsoft will push any settlement to its absolute limit, and find any loophole that is left in it - however with Microsoft's current dominance in the PC market, looking forward, we cannot allow Microsoft to maintain to its current practices, especially when Microsoft could soon be the gate keeper of thousands, even millions of peoples personal infromation.

Thankyou for your time,

PreZ

Owner, Shadow Realm (http://www.srealm.net.au)
Systems Administrator, GOTH.NET (http://www.goth.net)
Development Head, Magick IRC Services (http://www.magick.tm)
Maintainer, CoreWars (http://www.corewars.net)
Founder, DARKER.NET (http://www.darker.net)
CEO, RelicNet IRC Network (http://www.relic.net)

Death is life's way of telling you you've been fired.
-- R. Geis